

**Enfield Board of Selectmen
Public Works Facility
Enfield, New Hampshire**

MINUTES of February 17, 2009

Board of Selectmen: Rebecca S. Stewart, Chairman; Donald J. Crate, Sr.; John W. Kluge

Administrative Staff: Steven Schneider, Town Manager; Alisa D. Bonnette, Executive Assistant; Richard A. Crate, Jr., Chief of Police; Norm Bernaiche, Town Assessor

Others: Lee Carrier, Judy Finsterbusch, David Stewart, Linda Jones, Alf Elvstad, Debra Truman, Bruce Hettleman, Dr. David Beaufait, Sharon Beaufait, Curtis Payne, Gary Brooks, Dan Kiley

BUSINESS MEETING

I. CALL TO ORDER

Mrs. Stewart called the meeting to order at 6:00 pm.

II. APPROVAL OF MINUTES

Mr. Kluge found a typographical error on page 8, which shall be corrected.

Mr. Kluge moved to accept the non-public session minutes of January 20, 2009, the regular session minutes of February 3, 2009, as corrected, and the non-public session minutes of February 3, 2009. Mr. Crate seconded; vote unanimous.

III. COMMUNICATIONS

NHMA Government Affairs ~ Membership Meeting:

A couple of weeks ago Mr. Schneider attended a meeting of the Municipal Association. Enfield voted no to the gas tax, but it did pass. The next meeting is March 2, 2009 at 9:30 AM in Concord. The Selectboard was provided with a list of information to be considered, including gambling, other revenues, employer retirement contributions, and more. The list was compiled prior to the Governor's proposed budget.

A selectman or Mr. Schneider can attend and vote on these issues.

Mr. Schneider discussed his experience in Batavia with gambling where it didn't have a noticeable difference on the community, but they already had a sizeable racetrack. In NH communities that have had it before, this is not a big issue. Gambling might result in some revenue, but the State would have to ramp up rules and regulations. The Chiefs of Police Association has come out strongly against gambling.

Mrs. Stewart had spoken to Police Chief Crate and he is not in favor of gambling. Mrs. Stewart feels there is a difference between racetracks and casinos. She may be interested in attending the NHMA membership meeting.

Mr. Schneider explained that the Town is given one vote. Mr. Kluge suggested letting the Town Manager use his best judgment when voting on the issues presented.

IV. BOARD REPORTS

Budget Committee Public Hearing:

Mr. Kluge reported spirited debate on the Solid Waste Reduction Program. The Budget Committee voted to support it. There was a good discussion of budget issues.

Zoning Board of Adjustment:

There have been no meetings in 3 months.

Planning Board:

Mr. Kluge missed the last Planning Board meeting, but understood there was little action. Dan Kiley reported a lot of timber cuts and one party did not show for their conceptual.

Library Trustees:

Mr. Schneider received a copy of the new library plans today. The next Library Trustee meeting is scheduled for March 9.

They have decided not to go out to bid, but just contact the contractors they need to get quotes.

Mr. Kluge asked how the fundraising was going. Mr. Schneider responded that they plan to have a report ready for Town Meeting. They have been in contact with USDA regarding funding through the stimulus package.

V. TOWN MANAGER'S REPORT

State Budget:

The Governor's budget proposal has thrown a monkey wrench into the Town's potential budget. The Governor is proposing to deduct the rooms and meals and shared revenues and to reduce the State contribution to retirement resulting in an increase to Town's for that expense. Just on the revenue side this adds 45 cents to the Town's tax rate, a significant amount. There was no communication with towns in advance. This was put on towns at the last minute when it's too late to make changes to budgets before Town Meeting.

Hazard Mitigation:

Mr. Schneider met with Police Chief Richard Crate and Building Inspector/Health Officer Phil Neily to discuss hazard mitigation in Enfield. They covered almost every possibility. The top three hazards were identified as flooding, sever winter storms and microburst tornados. Interstate 89 presents some issues as it's a major interstate highway, but it is not in a population center. They will have a couple of meetings to finish the work. The Upper Valley Lake Sunapee Regional Planning Commission has grant funding.

Shaker Bridge Landing:

Mr. Schneider met with Lou Barker from the State regarding the Shaker Bridge Landing property and a possible land swap with Mr. LaCroix.

With the Shaker Bridge Landing the Town has just an open field. The Rail needs an 82-1/2' right-of-way. Beyond that right-of-way the State would allow the Town to purchase State land. They talked about perhaps extending the amount of land the town would be responsible for to allow expanded use.

The understanding is that the Shaker Bridge is scheduled for 2010. After that, the land would be available for purchase by the Town.

LaCroix Property:

There is a process that would have to be followed, including several reviews on the State side. For the Town, a land swap would provide wellhead protection. Mr. Schneider expects this could take place in the summer of 2009 or spring of 2010. The State assigns a value to the property for the purposes of a land swap.

Mrs. Stewart asked if there was discussion of rights of ownership. She was informed that she was thinking about a piece of property near Shaker Bridge Landing, a different parcel.

VI. PUBLIC COMMENTS

Dan Kiley ~ Public Comments:

Mr. Kiley would like the Selectmen to direct Town committees to have a time for public comments at their meetings.

Mr. Kluge thinks this is fair and something the Selectmen should encourage. Mr. Crate and Mrs. Stewart agreed.

Mr. Schneider will draft a policy for adoption by the Selectmen for all appointed boards and committees that a public comment session be required.

Mr. Kiley noted a comment by Kurt Gotthardt at the Budget Hearing that the hearing was the only time to make comments.

Mr. Schneider doesn't believe anyone has ever been denied an opportunity to speak.

David Stewart, a Budget Committee member, concurred. He's sorry to hear Mr. Gotthardt felt he could not speak. We're here to serve the people.

Mrs. Stewart closed the meeting to public comments at 6:29 PM

VII. OLD BUSINESS

There was no Old Business.

VIII. NEW BUSINESS**State Budget:**

The Governor's proposed budget has been submitted to the legislature who can now review the requests.

The biggest impact for the Town is the loss of the rooms & meals and shared revenues and the increase in retirement contributions. This would be the equivalent of \$92 in taxes to the average homeowner in Enfield if the State budget as proposed is approved, due to the loss of revenue to the Town.

Judy Finsterbusch, a Budget Committee member, asked if there was any outrage expressed by other towns about the loss of this source of revenue? Mr. Schneider replied, yes, every community is affected.

Mrs. Finsterbusch thinks it's not just the loss of dollars, but that it was just thrown out there at the last minute. The Budget Committee had not time to respond to it.

Mrs. Stewart stated that the Governor is aware of the legal deadlines municipalities must meet. The word chicanery, "legal trickery" is a good descriptor of this move. Not only does he want to take this money from our coffers, but this is out of the blue.

Mrs. Stewart added that the Town resoundingly defeated the school budget in the past and she feels there's a good chance, in her opinion, that it will be defeated again.

Mrs. Stewart pointed out that this is not a fait accompli. The legislature has a hand to play.

Mr. Schneider stated the Municipal Association has been in contact with the Governor.

Mrs. Finsterbusch read an editorial in the Union Leader and her understanding from that column is that State department heads, by law, aren't allowed to present a budget with any cuts.

Mr. Kluge would take that article with a grain of salt, since they've been directed to make cuts.

Mrs. Finsterbusch said the Budget Committee has asked Town department heads to give their best estimates and the Committee has asked them to suggest where cuts would be made.

Mr. Kluge agrees that making a fuss is a good thing, but the only responsible thing is to develop a fall back position. If we're stuck with the State budget the Town needs to have a plan.

Police Chief Crate stated that in the Governor's budget funding to schools would offset any loss of revenue to the Towns.

Mr. Schneider agreed that the Governor's goal is to have an unchanged total tax rate. So what doesn't go to the Towns would go to schools.

Mrs. Stewart stated that balancing out the tax rate doesn't by plows, a new cruiser, or provide raises to employees that are deserving. The Town will have to cut services or equipment.

Mr. Kluge disagreed. The Town doesn't have to cut services; it has to cut expenses.

Mrs. Stewart pointed out that the 1979 truck is unserviceable and is due for replacement. If we don't replace it we'll have a reduction in services. She expressed displeasure with the idea that we not give Town employees a pittance 2.5% raise while the School and State employees get raises on the back of our employees.

Mr. Kluge has had significant contact with people in other corporations and people are being cut and downsized. He really feels the Town has to cut raises, the pick up and cruiser and remove the \$50,000 for contingency expenditures. This would amount to about \$200,000. He thinks that has to be the plan.

Mrs. Stewart would disagree. The Governor thinks it's acceptable for us to have a tax increase. It's unacceptable. We should put it on his doorstep.

Mr. Kluge said the Town could take that route but it would then raise taxes for the people.

Mrs. Stewart stated that if the equipment were not purchased now the Town would end up doing it anyway. If the Town tax rate has to go up 45 cents it's distasteful for her but the Town managed to lower the tax rate by 5 cents and is still providing necessary equipment and small raises. One employee has been with the Town for 14 years as a part-time employee and the Town wasn't able to make the position full-time.

Mr. Kluge responded that he knows some people in their jobs for 20 years that had to be let go.

Lee Carrier said this is a complex issue. The Town has to look at the whole scope. There are a lot of rumors. The town doesn't know the true impacts at this time and should get in contact with Town representatives and the Governor. He and Mr. Kluge are on the same page; the town needs a fall back position, even if that position is to do nothing.

Mr. Carrier was inspired when he heard Mrs. Stewart contacted the Governor. He called the Town representatives and the Governor's office, where he spoke to the Governor's assistant. Mr. Carrier suggested getting the Town's representatives together to tell them how we feel. Mr. Carrier told Kristyn McLeod, State Budget Director that it's the State's spending and their job to find the money in their budget, not to take the easy route and pass it down to the towns.

Mr. Carrier stated, regarding salaries, that the Budget Committee did include a 2.5% increase that is about \$45,000. Over the last four years the employees have received a 6.1% increase, raising salaries from \$1,436,000 to \$1,830,000. That's an additional \$350,000 over four years. The Capital Improvement Program is running 2.5% to 3% at most. Mrs. Stewart may say 2.5% is a pittance, but at the School they've been about the same as the Town. Let's be fair and look at how we want to structure this.

Mr. Schneider provided the Selectmen with an email from the Town's attorney suggesting an approach the Selectmen could take at Town Meeting. The Selectmen and Budget Committee could determine a sum of money where the Selectmen and Town Manager could decide to spend or not spend depending on the results of the State budget.

Mr. Schneider explained that the Town Attorney's email explains how to take this to Town Meeting, have a reasonable discussion and give the Selectmen the ability to reduce spending up to a certain amount. He hopes the department heads will be allowed to figure out how to get the job done. The bottom line is to reach the goal. How important is it to get there in a specific way? We're at a point with our budget where cuts would have to be raises and equipment since we've already done major culling. The Attorney provides a framework for how to accomplish this. There won't be an outcome on the State budget by Town Meeting.

Mrs. Stewart would like a resolution to send to Town representatives and State committees that control funding mechanisms. She'd also like to have the Governor come to meet with us to tell us why this is good for our Town. This undermines work the Town has done in good faith.

Mr. Carrier suggested that having the Town's three representatives vote down the Governor's budget would have more impact. The Town has to be creative. Rather than providing a 2.5% salary increase to employees, maybe give them \$1,500 if we all work hard to get our costs down and if we do accomplish that, then release the money to employees. This has the added benefit of not raising base pay so adds to savings next year.

Mr. Carrier stressed the importance of the Budget Committee and Selectboard working together on this problem.

Mrs. Finsterbusch said at Town meeting people need to know how hard everyone's worked to keep expenses down and to maintain services, and to be sure they know this is not of our doing.

David Stewart said the lowest common denominator is the people of the Town. The State has the money and if they fund the schools they have power over the schools. We need to work together on this. Based on the Governor's actions the Town has to be indignant about this. He suggested the use of some of the Town's undesignated funds to make up the shortfall.

Mr. Stewart explained that the NH Dept. of Revenue Administration recommends an unreserved fund balance at a minimum of 5% and maximum of 17%. The Town decided to keep a level of 8% to 9%. An 8% unreserved fund balance is about \$1 million and the Town is now at \$750,000.

Mr. Stewart recommended lowering it to 5% to make up the difference.

Dan Kiley asked if the \$200,000 was going to be an annual amount. He was informed that it was. It was made clear that this would be for the entire 2009 fiscal year as the Town is paid these funds in December.

Mrs. Stewart said the Selectboard should invite all elected officials to the next meeting. Mrs. Finsterbusch added that it should be well advertised.

Mr. Kiley pointed out that the State has no way to get revenue except through a sales or income tax.

Mrs. Stewart responded that looking for revenue isn't the answer. Budget cuts and Yankee thrift is what she's looking for. The State is what it is because of the low tax rate and it could be unfortunate to go in the opposite direction.

Mr. Schneider assured the Selectboard that he'd keep them as informed of the situation as he is.

Mr. Carrier said he'd be happy to work with the Town Manager to work up a proposed plan.

Mr. Kluge stressed that *everything* should be on the table.

Administrative Items:

The Board of Selectmen reviewed and approved the following documents: 2009 Town Meeting Warrant, Health Officer Nomination for Phil Neily.

IX. PUBLIC HEARING ~ Tax Increment Finance District Boundary Adjustment

Mr. Kluge moved to call the public hearing to order at 7:07 PM, Mr. Crate seconded; vote unanimous.

Mrs. Stewart read the public hearing notice. The purpose of the public hearing being to discuss the proposed adjustment to the boundaries of the existing Tax Increment Financing District, which was presented to the Board of Selectmen as a petitioned warrant article as follows:

“To see if the Town will vote to modify the boundaries of the Tax Incremental Finance (TIF) District by excluding the portion of land known as “The Laramie Farms” project described as:

The parcel of land that runs along route 4 and Maple Street as seen in the circled area in the map below.

Also identified on the Town Tax Maps as Map 14A, Lots 1-62”

Mrs. Stewart opened the floor to discussion and invited Debra Truman to speak.

Ms. Truman posted a copy of the TIF District map with the area circled that she proposes be removed from the TIF District. She stated that the TIF District was voted by the Town as a commercial district. If anyone increases the value of their property the tax revenues from the increase go into the TIF fund. The District was adopted for 15 years and expires in 2020. There is now a proposed \$8 million to \$10 million project resulting in a projected \$250,000 each year that wouldn't go into the general fund, but would go into the TIF fund. Various projects on Route 4 are planned, including an upgrade to Huse Park and a sewer extension at a cost of about \$3 million. If we take the Laramie Farms out of the TIF District it will allow us to put the money into the general fund to support our schools. An estimated 32 students would come from the Laramie Farms development and they won't be paying their fair share to the School District.

Linda Jones has attended almost all of the Laramie Farms meetings. One thing that has stuck with her is that 3 or 4 years ago when the project was proposed she thought it was inappropriate to use undeveloped land that is going to be residential and not use the money for schools. It's when you have a business and improve it that the money should go to the TIF District. At the

time the project 58 units were planned. Not it's up to over 150 units. She would encourage the removal of this property from the TIF District.

Bruce Hettleman stated that Laramie Farms is the cash cow of the TIF District. There's a \$3 million sewer line that the Town hasn't approved. If you're going to do that sewer line, approval should be obtained from the Town. Personally, he does not think a TIF District should be in such a small town as Enfield. He thinks taking the land out of the District only makes sense. The Town doesn't have the money to build the sewer line. There's no timeline for the [Laramie Farms] project. We know if they build it next year and their \$300,000 goes into the TIF fund it won't be in the general fund to reduce taxes. There is going to be about 30 children (based on a State report) in a development of that size at the cost of \$11,000 per child for school costs. He's also disturbed that the Town has not approved a sewer line. Let the people that are going to benefit put in the sewer line; let them pay for it, not us. If the Selectmen think the people want this, put it out there before the Town. Mr. Hettleman thinks the TIF District proposal was hard to understand and he doesn't think people knew what they were voting on. He thinks the Laramie Farms property should be removed from the District. He thinks the Selectmen should embrace it and support it. No one he's talked to said we have \$3 million for a sewer line.

Mr. Kiley said, the \$3 million for the sewer line would be bonded and would have to go to Town Meeting for approval.

Mr. Schneider's understanding is that any project recommended by the TIF District Advisory Committee has to go to Town Meeting.

Ms. Truman believes it only has to be approved by the Budget Committee.

Approval requirements for projects funded with TIF dollars will be investigated.

David Stewart pointed out that any improvements in infrastructure at the Laramie Farms development could be captured. He would rather capture another year's worth of revenue.

Mr. Schneider is not sure there's any money coming from that property.

Mr. Stewart replied that maybe not yet. The infrastructure revenue can be captured and then changes could be made to the District.

Mr. Hettleman pointed out that once a bond comes out the District boundaries could not be changed.

Mrs. Stewart doesn't believe the Town will be ready to float a bond for a few years anyway.

Ms. Truman said that is residential property. The Town is capturing residential taxes and putting it into commercial. There is money accumulated already. To remove the residential property from the TIF District would relieve some of the stress if that project were developed.

Sharon Beaufait stated that on general principal she agrees. It didn't make sense to me at the time because it's residential property. It was one thing when it was 58 units, now it is a lot more money to come to the TIF fund. As a taxpayer, she remembers how it was necessary to have

this property in the District in order to have enough capacity. Even though this may be a good idea, she doesn't know if this is the way to pull the plug.

Curtis Payne stated that clearly thinking has shifted and it seems this is the way to do it. The thinking at the time was it was going to save us taxes. He's not saying he's for or against it, but this is the right process to go through to reach a decision.

Dr. Beaufait stated that without the Laramie Farms development it was not considered a viable project.

Mr. Kiley said that for the LaCroix property the Town doesn't have to extend the sewer. They could still get onto the sewer that runs to the end of Baltic Street. That's a true commercial project if it ever comes down. He is starting to agree with Ms. Truman. When it was a 58-unit development it was one thing, there was only talk of 12 kids there. The only thing left will be the LaCroix property.

Mr. Crate feels that where the Board just discussed State budget revenue cuts if the Laramie Farms development flies the Town is going to need the funds in the general budget.

And Mrs. Stewart agrees that with our current economic climate we wouldn't have money in the general fund.

Mr. Kluge said that he could see us deciding we need the quick money. There's a lot of pressure to do it. Part of him says we're looking to the future development. Route 4 is underdeveloped. All that said, he's torn. TIF is like putting money into savings, the responsible thing to do. What's the immediate need? Are we ready to pull the plug on the TIF District for immediate funds?

Mrs. Stewart stated that Laramie Farms is not at the talking stage. Today's economic climate, with no high hopes of it changing soon, developers may be putting projects on hold. Schools are putting pressure on the Town economy. She's torn as well. She's listened to the arguments put forth by Ms. Truman and Mr. Hettleman and they've been persuasive.

Ms. Truman stated that it's not all or nothing. We don't have to abolish the TIF District altogether.

Mr. Schneider noted that a \$2 million bond would result in approximately \$120,000 per year in debt service. We're about 2/5 of the way there.

Ms. Truman feels that if the LaCroix property were developed it would be enough for a \$3 million bond. It's not all or nothing; this is a good compromise.

Mr. Stewart would like to hold off a year. If there are any improvements the Town can capture those funds. Is \$50,000 a year enough to complete the Huse Park and Library projects?

Linda Jones pointed out that this isn't found money. It's the same amount of money whether it goes into TIF or the town's coffers.

Mr. Stewart said the schools seem to be getting plenty of support from the Governor. The County will do what it wants. This is money we can hold and do what we want with.

Ms. Truman reported that the Town has \$134,000 in the TIF fund now. It generated \$54,000 last year. We will look at and revise our plans.

Mrs. Stewart noted that there's been no commitment to a project.

Mr. Crate moved to close the public hearing at 7:36 PM, Mr. Kluge seconded; vote unanimous.

IX. PUBLIC HEARING ~ Cable Franchise Ascertainment Hearing

Mr. Crate moved to open the public hearing at 7:38 PM, Mr. Kluge seconded; vote unanimous.

Mrs. Stewart read the public hearing notice. As part of the cable franchise renewal proceedings between the Town of Enfield and Comcast, the current cable operator, the Town will be holding a public hearing on the future cable-related needs and interests of the community. The members of the public and representatives of local organizations are invited to attend and provide information on the future cable related needs and interests of the community. The record will remain open for 14 days following the hearing, and written submissions up until that time are also welcome.

Mr. Crate moved to recess the hearing at 7:39 PM until March 16, 2009, Mr. Kluge seconded; vote unanimous.

XI. OTHER ITEMS

Next Meeting:

Monday, March 2, 2009

CONFERENCE

I. ENFIELD LAND COMPANY, LLC/MONTCALM GOLF COURSE

Gary Brooks came before the Board as a representative of the owner of Enfield Land Company, LLC, for a preliminary presentation. Enfield Land Company, LLC, the owner of the Montcalm Golf Course, has thought for some time the assessment on the golf course has been quite high. The assessment went up \$1 million when the clubhouse was constructed. They have contacted appraisers of golf courses. They've been told the assessment is extremely high. A lot of infrastructure was already there. Consultants have said they need a full-blown appraisal to challenge the assessment as disproportionate. The clubhouse is an unheated building and the assessment is based on a heated building. Golf courses are white elephants; you can't sell them. It was pointed out that they don't have to go for an abatement due to poverty, but the Selectmen can grant an abatement for "good cause shown." Mr. Brooks discussed the lack of services required by the golf course and how they were not available to them.

Mr. Crate asked why Mr. Brooks felt they had no services.

Mr. Brooks understand that Lebanon would respond.

Mr. Crate assured him that while Lebanon would respond first because they're closer, they would be responding by mutual aid. Enfield would still respond and it would be their scene. Enfield Police would also respond.

Mr. Brooks stated that they were told to contact the State police.

Mr. Kluge noted that it would be a slippery slope if the Selectmen abated based on no services being provided.

Mrs. Stewart was sorry to hear they were given to understand they would not get services.

There was discussion of the possibility of a clause in the Planning Board site plan regarding the lack of services. This will be investigated. Mr. Crate considers it unlikely, as it would open up the Town to liability.

Mr. Brooks was informed that his client would have to formally file for an abatement at which time the Selectboard could discuss the matter in more detail.

Mr. Bernaiche added that the abatement process is not meant to be contentious, but it allows an open discussion.

Unless the Town finds something in Planning Board records that the property owners would not get services it's fair to take away from this meeting that an argument of solely not getting services from the Town would not sway the Board of Selectmen to change the assessment. Mrs. Stewart added that if something is found regarding the availability of services, she's sure some mechanism could be found to assure services to the property owner.

Mr. Crate asked if the Selectmen would be allowed to look at the building. He was assured that they would if an abatement request were filed.

II. ADJOURNMENT

Mr. Crate moved to adjourn at 8:07 PM; Mr. Kluge seconded, vote unanimous.